

# Comments for the Centegra Public Hearings 10-02-2017

## **11:00 am – 12:00 noon; Application for a Certificate of Need (CON) to Establish 22 Rehabilitation Beds in the Woodstock Hospital**

My name is Dr. Brian Sager and it is my honor to serve as Mayor of the City of Woodstock. I would first like to thank the Illinois Health Facilities and Services Review Board for hosting these Public Hearings in the City of Woodstock. Since Centegra Health System announced in May their plans to discontinue in-patient hospitalization and reduce the level of emergency room services in their Woodstock Hospital, there has been incredible concern and a constant and audible outcry on behalf of the residents of our community and we are grateful for the opportunity to engage in these Public Hearings to express our individual and collective thoughts and concerns on the applications which are to be considered by the Board at your November 14<sup>th</sup> meeting in Bollingbrook. With the Board's indulgence, I will present introductory comments at the onset of each of the hearings and state the City's position on the filed applications.

With regards to the *Application for a Certificate of Need to Establish 22 Rehabilitation Beds in the Woodstock Hospital*, the City of Woodstock is a proponent and supports the application.

It is clear Centegra Health System needs to re-configure service provisions across the system for greater efficiencies and, it could be argued, enhanced health care

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quality. There is a growing need in our community, and the larger region, for hospital beds dedicated to physical, behavioral and drug and alcohol rehabilitation and the possibility of concentrating these services in the Woodstock Hospital would allow increased professional health care provision efficiencies. Further, these services are frequently associated with family attention and support, and focusing such services in the center of our county would provide enhanced regional access. Such concentration of Centegra Health System's rehabilitation services in the City of Woodstock could also offer opportunities for economic development as ancillary service businesses develop around the hospital to support an expanded regional rehabilitation center.

For these reasons, the City of Woodstock supports Centegra's application for a *Certificate of Need to Establish 22 Rehabilitation Beds in the Woodstock Hospital.*

Thank you.

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## **1:00-2:00 pm; Application for a Certificate of Need (CON) to Convert 4 Medical/Surgical Beds to Intensive Care Unit Beds in the Huntley Hospital (CON #17-037)**

Once again, my name is Dr. Brian Sager, Mayor of the City of Woodstock. With regards to the *Application for a Certificate of Need to Convert 4 Medical/Surgical Beds to Intensive Care Unit Beds in the Huntley Hospital*, the City of Woodstock is neither a proponent nor opponent and adopts a neutral position on the application.

Although it is generally recognized and one could argue that the conversion of 4 medical/surgical beds to intensive care unit beds in the Huntley Hospital is a direct replacement of the intensive care unit beds considered for discontinuance in the Woodstock Hospital, an application to which we will object, it must be acknowledged there is a growing population in the southern part of McHenry County and northern part of Kane County and, further, with the establishment of Sun City in Huntley, the health care demands of an aging population relative to cardiac, pulmonary and stroke emergency response, care and remediation are high.

That does ***not*** diminish similar demands from the large northwest, western and central portions of the county of course, and ready access to intensive care unit

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beds in the Woodstock Hospital, at the center of the county, are of paramount concern to our residents and the larger region.

However, the question of the application specifically addresses the conversion of beds in the Huntley Hospital and it must be presumed the application is made to meet the demands of the residents of Huntley and the surrounding population in southern McHenry and northern Kane Counties. It must be further presumed Centegra Health System has conducted a thorough analysis of the demands for such services in that region and determined a need currently exists and will continue to exist well into the future for increased intensive care unit provisions in the Huntley Hospital based upon population growth and demographics. With similar concerns for our Woodstock residents, one can hardly deny residents of that area ready access to such essential health security provisions. The question, therefore, is a matter for the Huntley community to address and should not be a point of objection from the City of Woodstock.

For these reasons, the City of Woodstock adopts a neutral position on Centegra's application for a *Certificate of Need to Convert 4 Medical/Surgical Beds to Intensive Care Unit Beds in the Huntley Hospital*.

Thank you.

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## **2:00-3:00 pm; Application for a Certificate of Exemption (COE) to Discontinue 60 Medical/Surgical Beds, 12 Intensive Care Unit Beds and 5 Operation Room Beds in the Woodstock Hospital (COE #E-036-17)**

My name is Dr. Brian Sager, Mayor of the City of Woodstock. Regarding *Centegra's Application for a Certificate of Exemption to Discontinue 60 Medical/Surgical Beds, 12 Intensive Care Unit Beds and 5 Operation Room Beds in the Woodstock Hospital*, the City of Woodstock rises in opposition of the application.

Please do not interpret my comments today, in opposition to the specific application, as comments opposing Centegra Health System. To the contrary, the City of Woodstock and its residents have embraced Centegra since it took over the community's Woodstock Memorial Hospital, established through the vision and hard work of a small group of doctors and a supportive community in 1914 to establish a community hospital in Woodstock, the county seat, that would serve not only City residents, but the larger county. Woodstock and Centegra have enjoyed a strongly collaborative and mutually supportive partnership for many years. It seemed natural, therefore, on March 1<sup>st</sup>, 2011 when Centegra Health System appeared before the Woodstock City Council requesting support of their application for a *Certificate of Need for the Construction of a Hospital in Huntley*, for our community to continue its strong tradition of supporting the hospital. Further, since Woodstock Hospital had always been supported as a county, not

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just community hospital, residents of Woodstock acknowledged the call to

support strong regional health care provisions through an expanded Centegra

Health System. In the language of the resolution considered on March 1<sup>st</sup>, 2011:

**WHEREAS, the State of Illinois has identified the planning area in which McHenry County is located as one of only three planning areas in the entire State of Illinois that has a shortage of acute care hospital beds to serve the community; and**

**WHEREAS, in addition to meeting the state's bed need for Health Planning Area A-10, Centegra's proposed hospital would serve Planning Area A-11, less than two miles to the south.**

**According to State figures, this planning area (Northen Kane County) is the second of three areas in the State where additional beds are needed. Therefore, two of the three planning areas in Illinois with identified hospital bed shortages would be served by Centegra Hospital - Huntley; and**

**WHEREAS, the construction of a hospital in Huntley, Illinois will allow Centegra Health System to address the identified bed need**

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***in the area of McHenry County that needs it the most, based upon rapid population growth in the area.***

With these identified regional needs, the assurance of the Administration of Centegra Health System that services at Centegra Woodstock Hospital would not be reduced, and a strong desire to be good regional partners and citizens, the City of Woodstock in trust and good faith supported Centegra's application for a *Certificate of Need* to build the Huntley Hospital.

Since that time, the City quietly accepted the move of obstetrics from Woodstock Hospital to McHenry Hospital and the relocation of orthopedics from Woodstock Hospital to Huntley Hospital. Although disappointing, we accepted the discontinuation of those services in an effort to be good partners with a health system we had trusted, a system that had served our community well, and in an effort to be good regional partners, acknowledging sacrifices sometimes need to be made for the greater good; in this case, a more vibrant, comprehensive, regional health care system.

In May of this year, it was announced publicly, before any outreach or communication to the City of Woodstock, that acute in-hospital care beds would be discontinued and there would be an associated change of status in the

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emergency room services at our Woodstock Hospital. In his comments, Mr.

Lawler emphasized the thorough and regular communication Centegra Health

System had with staff of the Illinois Health Facilities and Services Review Board

regarding their plans, but made no comment regarding communication with the

community that had supported the hospital and system so enthusiastically over

the years. Unfortunately, that communication was non-existent.

The news and the subsequent application for a COE to discontinue 60

medical/surgical beds, 12 intensive care unit beds and 5 operation room beds

were understandably met with bitter disappointment. Based upon the long

history of support provided for our community hospital by residents and the

assurances provided at the time Centegra requested support from the City for the

Certificate of Need for a Huntley Hospital, residents have an overwhelming sense

of abandonment and betrayal and have responded loudly and consistently with

their displeasure. The response was not solely generated from a sense of

betrayal, however. It was also motivated by a sense of fear.

Individuals and families look to a community hospital with comprehensive health

care services, including acute in-patient hospitalization and an associated level of

emergency room services, as a source of insurance. Nobody wants to have to use

them, but it is a source of security; that is, when needed, it is there. With the loss of



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these services, there is a strong resulting sense of insecurity and when people feel insecure, they become fearful. When people are fearful, they often respond in anger. Unfortunately, that is the tenor of today's Woodstock.

It is also a source of concern for the long-term economic picture for our community. Over the past couple of weeks, numerous employees of the system have received the devastating news their jobs are being eliminated with tragic effects on the financial well-being of individuals and families, as well as the community-at-large. Further, prospective investors wishing to expand their current business and industry presence in our community or looking to locate new businesses, consider the total picture of a community including essential services. A comprehensive hospital that provides quality, responsive, accessible health care for their employees and families is considered as essential to a feeling of security and quality of life as an exceptional education system. Without a hospital providing acute in-patient hospitalization and comprehensive emergency room services in the community, business and industry may be reticent to expand or locate in the City of Woodstock with negative effects on our economic future. It is certainly recognized, as explained by Centegra officials, that we live in a changing hospital environment. With improving medical technology, something

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we all want and appreciate, hospital stays are reduced. There is increased emphasis through Federal Government Health Care Programs to reduce in-hospital stays as a way to reduce costs. Medicare provisions and requirements have changed the complexion of compensation. The State of Illinois has an extraordinarily prolonged payment schedule creating difficult cash flow situations for health care providers. And, there is an increasing out-migration of in-patient hospitalization from McHenry County to other regions due to preferred doctor affiliations and hospital specialization.

As a result of these trends and other management decisions, Centegra Health System is facing severe financial challenges, and it is clear, needs to re-configure service provisions across the system for greater efficiencies, viability, sustainability, and it can be argued, enhanced health care quality.

While the changing complexion of the medical industry today and the associated needs for increased efficiencies through focused specialization in hospital facilities might warrant a reduction of the number of beds in Woodstock, the total elimination of those acute in-patient hospital beds and the resulting change in the status of the emergency room services is of major concern to the community's sense of security and is certainly contradictory to the assurances our community

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received from Centegra Health System when asked to support the construction of the Huntley Hospital.

For these reasons, the City of Woodstock opposes Centegra's application for a *Certificate of Exemption to Discontinue 60 Medical/ Surgical Beds, 12 Intensive Care Unit Beds and 5 Operation Room Beds in the Woodstock Hospital.*

Thank you.

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## **3:00-4:00 pm; Application for a Certificate of Exemption (COE) to Discontinue 22 Rehabilitation Beds in the McHenry Hospital (COE #E-037-17)**

Again, my name is Dr. Brian Sager, Mayor of the City of Woodstock. With regards to the *Application for a Certificate of Exemption to Discontinue 22 Rehabilitation Beds in the McHenry Hospital*, the City of Woodstock is neither a proponent nor opponent and adopts a neutral position on the application.

It is understood the application to discontinue rehabilitation beds in the McHenry Hospital is directly associated with the application for a *Certificate of Need* (CON) to establish 22 rehabilitation beds in the Woodstock Hospital, an application which the City of Woodstock supports. However, and as previously stated, there is a growing need in our community, and the larger region including the McHenry Community, for hospital beds dedicated to physical rehabilitation, as well as behavioral and drug and alcohol rehabilitation. And, while it is believed the possibility of concentrating these services in the Woodstock Hospital would allow increased professional health care provision efficiencies, it must again be stated rehabilitation services are frequently associated with family attention and support. As a result, those who live in the City of McHenry or in close proximity to the McHenry Hospital would lose ready access to a local rehabilitation facility.

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The question, therefore, is a matter for the McHenry community to address and should not be a point of support or objection on behalf of the City of Woodstock. For these reasons, the City of Woodstock adopts a neutral position on Centegra's application for a *Certificate of Exemption to Discontinue 22 Rehabilitation Beds in the McHenry Hospital*.

Thank you.

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5:00-7:00 pm; **Application for a Certificate of Exemption (COE) to Discontinue 60 Medical/Surgical Beds, 12 Intensive Care Unit Beds and 5 Operation Room Beds in the Woodstock Hospital (COE #E-036-17)**

Again, my name is Dr. Brian Sager and I am honored to serve as Mayor of the City of Woodstock. And, once again, I would like to thank the Illinois Health Facilities and Services Review Board for hosting these Public Hearings in the City of Woodstock. It has been a long day and we are grateful for your presence and your very professional and accommodating approach to these hearings.

These comments were presented at the 2:00 pm Public Hearing, but with the Board's indulgence, I would like to read them into the record for this session and provide an additional perspective.

Regarding Centegra's *Application for a Certificate of Exemption to Discontinue 60 Medical/ Surgical Beds, 12 Intensive Care Unit Beds and 5 Operation Room Beds in the Woodstock Hospital*, the City of Woodstock rises in opposition of the application.

Please do not interpret my comments today in opposition to the specific application, as comments opposing Centegra Health System. To the contrary, the City of Woodstock and its residents have embraced Centegra since it took over the community's Woodstock Memorial Hospital, established through the vision and hard work of a small group of doctors and a supportive community in 1914 to

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establish a community hospital in Woodstock, the county seat, that would serve not only City residents, but the larger county. Woodstock and Centegra have enjoyed a strongly collaborative and mutually supportive partnership for many years. It seemed natural, therefore, on March 1<sup>st</sup>, 2011 when Centegra Health System appeared before the Woodstock City Council requesting support of their application for a *Certificate of Need for the Construction of a Hospital in Huntley*, for our community to continue its strong tradition of supporting the hospital. Further, since Woodstock Hospital had always been supported as a county, not just community hospital, residents of Woodstock acknowledged the call to support strong regional health care provisions through an expanded Centegra Health System. In the language of the resolution considered on March 1<sup>st</sup>, 2011:

**WHEREAS, the State of Illinois has identified the planning area in which McHenry County is located as one of only three planning areas in the entire State of Illinois that has a shortage of acute care hospital beds to serve the community; and**

**WHEREAS, in addition to meeting the state's bed need for Health Planning Area A-10, Centegra's proposed hospital would serve Planning Area A-11, less than two miles to the south.**

***According to State figures, this planning area (Northen Kane***

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*County) is the second of three areas in the State where additional beds are needed. Therefore, two of the three planning areas in Illinois with identified hospital bed shortages would be served by Centegra Hospital - Huntley; and WHEREAS, the construction of a hospital in Huntley, Illinois will allow Centegra Health System to address the identified bed need in the area of McHenry County that needs it the most, based upon rapid population growth in the area.*

With these identified regional needs, the assurance of the Administration of Centegra Health System that services at Centegra Woodstock Hospital would not be reduced, and a strong desire to be good regional partners and citizens, the City of Woodstock in trust and good faith supported Centegra's application for a *Certificate of Need* to build the Huntley Hospital.

Since that time, the City quietly accepted the move of obstetrics from Woodstock Hospital to McHenry Hospital and the relocation of orthopedics from Woodstock Hospital to Huntley Hospital. Although disappointing, we accepted the discontinuation of those services in an effort to be good partners with a health system we had trusted, a system that had served our community well, and in an effort to be good regional partners, acknowledging sacrifices sometimes need to



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be made for the greater good; in this case, a more vibrant, comprehensive, regional health care system.

In May of this year, it was announced publicly, before any outreach or communication to the City of Woodstock, that acute in-hospital care beds would be discontinued and there would be an associated change of status in the emergency room services at our Woodstock Hospital. In his comments, Mr. Lawler emphasized the thorough and regular communication Centegra Health System had with staff of the Illinois Health Facilities and Services Review Board regarding their plans, but made no comment regarding communication with the community that had supported the hospital and system so enthusiastically over the years. Unfortunately, that communication was non-existent.

The news and the subsequent application for a COE to discontinue 60 medical/surgical beds, 12 intensive care unit beds and 5 operation room beds were understandably met with bitter disappointment. Based upon the long history of support provided for our community hospital by residents and the assurances provided at the time Centegra requested support from the City for the Certificate of Need for a Huntley Hospital, residents have an overwhelming sense of abandonment and betrayal and have responded loudly and consistently with

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their displeasure. The response was not solely generated from a sense of betrayal, however. It was also motivated by a sense of fear.

Individuals and families look to a community hospital with comprehensive health care services, including acute in-patient hospitalization and an associated level of emergency room services, as a source of insurance. Nobody wants to have to use them, but it is a source of security; that is, when needed, it is there. With the loss of these services, there is a strong resulting sense of insecurity and when people feel insecure, they become fearful. When people are fearful, they often respond in anger. Unfortunately, that is the tenor of today's Woodstock.

It is also a source of concern for the long-term economic picture for our community. Over the past couple of weeks, numerous employees of the system have received the devastating news their jobs are being eliminated with tragic effects on the financial well-being of individuals and families, as well as the community-at-large. Further, prospective investors wishing to expand their current business and industry presence in our community or looking to locate new businesses, consider the total picture of a community including essential services. A comprehensive hospital that provides quality, responsive, accessible health care for their employees and families is considered as essential to a feeling of security and quality of life as an exceptional education system. Without a

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hospital providing acute in-patient hospitalization and comprehensive emergency room services in the community, business and industry may be reticent to expand or locate in the City of Woodstock with negative effects on our economic future.

It is certainly recognized, as explained by Centegra officials, that we live in a changing hospital environment. With improving medical technology, something we all want and appreciate, hospital stays are reduced. There is increased emphasis through Federal Government Health Care Programs to reduce in-hospital stays as a way to reduce costs. Medicare provisions and requirements have changed the complexion of compensation. The State of Illinois has an extraordinarily prolonged payment schedule creating difficult cash flow situations for health care providers. And, there is an increasing out-migration of in-patient hospitalization from McHenry County to other regions due to preferred doctor affiliations and hospital specialization.

As a result of these trends and other management decisions, Centegra Health System is facing severe financial challenges, and it is clear, needs to re-configure service provisions across the system for greater efficiencies, viability, sustainability, and it can be argued, enhanced health care quality.

While the changing complexion of the medical industry today and the associated needs for increased efficiencies through focused specialization in hospital facilities

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might warrant a reduction of the number of beds in Woodstock, the total elimination of those acute in-patient hospital beds and the resulting change in the status of the emergency room services is of major concern to the community's sense of security and is certainly contradictory to the assurances our community received from Centegra Health System when asked to support the construction of the Huntley Hospital.

Mr. Lawler suggests there is a lack of understanding on our behalf regarding the legal obligation of the Illinois Health Facilities and Services Review Board to approve the Certificate of Exemption to discontinue the identified services in the Woodstock Hospital. Let there be no mistake, we have done our research and are very much aware of the statutory requirements outlined in State Law. In the communication posted to the public last week, we quoted paragraph (b) of Sub-section 6 page 29 of the Illinois Health Facilities Planning Act regarding applications for permit or exemption. Specifically:

*(b) The State Board shall establish by regulation the procedures and requirements regarding issuance of exemptions. An exemption shall be approved when information required by the Board by rule is submitted. Projects eligible for an exemption, rather than a permit, include, but are not limited to, change of ownership of a health care facility, discontinuation of a category of service, and discontinuation of a health care facility, other than a health care facility maintained by the State or any agency or department thereof or a nursing home maintained by a county.*

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In the face of this requirement, some ask why go through the process of a Public Hearing? Just like the legal requirement is found in the Statutes, the answer to this question is found in the language of the applications, and the answer is 'need.' According to the previously referenced Act, one of the underlying purposes of the Act is to, *"Promote planning for and development of health care facilities needed for comprehensive health care especially in areas where the health planning process has identified unmet needs"*. Further, the Health Facilities and Services Review Board was **created** to perform the functions described in the Act. When referencing the Board's website, we find, *"The Board, through its certificate of need program aimed at containing health care costs, approves or disapproves applications for construction or expansion of health care facilities to avoid unnecessary duplication of such facilities and (I emphasize here) promotes development of facilities in areas where needed"*. The Board, therefore, has an inherent obligation to facilitate need. Our opportunity in the Public Hearing is to promote an understanding among members of the Board that the need for acute in-patient hospital beds and comprehensive emergency room services, including ICU beds, in the Woodstock Hospital exists now and will continue to exist in the future. Therefore, while we accept the legal obligation the State Board has to approve Centegras application for exemption because

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information required by the Board by rule was submitted, that approval does not exempt the Illinois Health Facilities and Services Review Board from its inherent obligation to promote development of comprehensive health care facilities in areas where needed.

For these reasons, the City of Woodstock opposes Centegra's application for a *Certificate of Exemption to Discontinue 60 Medical/ Surgical Beds, 12 Intensive Care Unit Beds and 5 Operation Room Beds in the Woodstock Hospital* and respectfully requests the Board to consider its responsibility when approached by other health care providers for a *Certificate of Need* to fill the void in our community created by the abandonment of acute in-patient hospital beds and associated comprehensive emergency room services by Centegra Health System.

Thank you.